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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
MARCH 1958

Volume 2

Number 8

Released Pursuant to § 1000.27 (j) and § 1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

NEW DAIRY SUPPORT PRICES ANNOUNCED

The U. S. Department of Agriculture announced March 31 that the 75% of parity national average dairy support prices for the April 1958-March 1959 marketing year will be \$3.06 per cwt. for manufacturing milk of about 3.9% butterfat and 56.6 cents per pound butterfat. During the 1957-58 marketing year these prices were \$3.25 and 58.6¢, respectively. In carrying out the new support prices the U.S.D.A. has lowered its carlot quantity purchase price for cheese 2.25 cents per pound and nonfat dry milk and butter 1.75 cents per pound.

Each 1 cent per pound change in the Chicago market wholesale quotation for butter and powder causes a 12.3 cents per cwt. change in the basic formula price under the Chattanooga order. Since the butter-powder market usually follows close the support price levels, the basic formula price and the minimum Class I price (exclusive of supply-demand adjustments) will likely drop from 20 to 25 cents.

MARKET SUMMARY MARCH 1958

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$5.02, Excess Milk \$3.06. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 4.0%. (See page 3)

During March 82.6% of the total producer milk was priced in Class I at \$5.32 per cwt. with a butterfat differential of 7.7 cents and 17.4% was priced in Class II at \$3.10 per cwt. with a butterfat differential of 6.8 cents. The percent of producer skim and butterfat priced in Class I was 83.2% and 69.8% respectively. Base milk was 93.8% and excess milk was 6.2% of the total producer deliveries. All excess milk and 12.0% base milk was priced in Class II and 88.0% of base milk was priced in Class I.

The daily average deliveries of producer milk during March increased 3.5% compared with February and decreased 5.7% compared with March 1957. The daily average use of Class I milk decreased 2.4% compared with February and increased 3.9% compared with March 1957. The daily average base deliveries was 91.2% of the established base.

APRIL 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Apr. '58	Mar. '58	Apr. '57
Basic Formula (See page 4)	\$3.52	\$3.53	\$3.53
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	.10	.04	.00
Class I Price, 4.0% Butterfat	\$5.37	\$5.32	\$5.28

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: February and March

Supply: Lbs. Producer Milk (Feb. 10,175,106 and Mar. 11,664,776) 21,839,882

Demand: Lbs. Net Class I Milk (Feb. 9,194,239 and Mar. 9,916,791) 19,111,030

Utilization Percentage: Producer milk divided by Class I 114

Standard Utilization Percentage: Range 119-123 119

Net Deviation Percentage: Utiliz. % 114 minus Standard Utiliz. % 119 minus 5

Supply-Demand Adjustment: 2 cents x 5 percentage points plus \$0.10

Since the supply in relation to the demand is less than the desired standard, the price is increased 10 cents per hundredweight (2¢ x 5%).

## COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION (DAILY AVERAGE)

Number of Plants (Pool and Non-Pool)	March '58 23	Feb. '58 22	March '57 20
<u>RECEIPTS:</u>			
Producer Milk - Cans	-	254,194	337,358
Producer Milk - Bulk Tank	-	109,203	61,744
<u>Total Producer Milk Pounds</u>	376,283	363,397	399,102
% March '58 compared with	100.0	103.5	94.3
Other Source Milk Pounds	6,679	7,412	4,821
Other Order Milk Pounds	16,996	14,782	17,687
<u>TOTAL RECEIPTS MILK POUNDS</u>	399,958	385,591	421,610
% March '58 compared with:	100.0	103.7	94.9
<u>UTILIZATION:</u>			
<u>Class I:</u>			
Fluid Milk	264,908	269,019	266,154
Buttermilk	37,344	37,731	36,828
Chocolate Milk	5,948	6,005	6,179
Fluid Skim	6,073	6,203	5,289
Fluid Creams	1,907	1,941	1,988
Bulk to Non-Handlers	12,424	16,353	308
Class I Shrinkage	1,489	1,379	916
Inventory Reclass.	(537)	(943)	(470)
Overstated Sales	-0-	-0-	-0-
<u>Total Class I Utilization</u>	329,556	337,688	317,192
% March '58 compared with:	100.0	97.6	103.9
<u>Total Class II Utilization</u>	70,402	47,903	104,418
% March '58 compared with:	100.0	147.0	67.4
<u>TOTAL UTILIZATION (Cl. I + Cl. II)</u>	399,958	385,591	421,610
% Producer Milk of Gross Class I	114.2	107.6	125.8
% Producer Milk Priced in Class I	82.6	87.8	74.9

## MARCH PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$ 1000.73	% by Use	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	69.8	350,222	\$0.77	\$269,670.94
Class II	30.2	151,761	0.68	103,197.48
Total	100.0	501,983		\$372,868.42

March Producer Butterfat Differential per point variation above or below 4.0 percent  
 (Total Butterfat value ÷ Total Producer fat pounds) - - - - - \$0.074

## NUMBER OF FARM PAYROLL ACCOUNTS

	1957										1958		
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
New	0	5	0	0	2	14	17	13	3	3	2	-	-
Quit	4	2	4	0	3	0	12	12	4	4	8	2	5
Total	794	797	793	793	792	806	811	812	811	810	804	802	797
Cans	725	726	714	696	694	700	696	686	675	667	647	641	624
Bk.Tank	69	71	79	97	98	106	115	126	136	143	157	161	173

ACTIVITIES OF CHECK TESTERS MARCH 1958: Plant Scales checked 11; Plant calls 147;  
 Samples tested - Composite 2,315, Fresh 5,430, Finished Products 299.



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1958

Based on 23 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,216,246	3.642		
Less Other Source		582,513	3.748		
Producer Milk Class I	82.6	9,633,733	3.635372	\$5.039236	\$485,466.54
Gross Class II		2,182,451	6.954		
Less Other Source		151,408	0.000		
Producer Milk Class II	17.4	2,031,043	7.472072	5.461009	110,915.44
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,664,776	4.303409		596,381.98
Add Fractional Adjustment					.02
Add Compensatory Payment Value					1,417.62
Add Overage Value					3.42
Add Inventory Reclass. Value					1.08
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,238.61
TOTAL VALUE AT TEST		11,664,776	4.303409		603,042.73
Less Test Over 4% @ 7.4¢ per point		11,664,776	.303409	0.224523	26,190.11
TOTAL PRODUCER MILK VALUE AT 4% TEST		11,664,776	4.0		576,852.62
		Pounds	Price 4%	Amount	
Excess Producer Milk-Class I		-	-	-	
Excess Producer Milk-Class II		721,247	\$3.10	\$22,358.66	
Total Excess Producer Milk		721,247	3.10	22,358.66	
Less Prod.-Settlement Fund Res. @ 4¢		721,247	.04		288.50
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		721,247	3.06		22,070.16
Value of Base Milk (Total less excess)		10,943,529	5.066866		554,493.96
Less Producer-Settlement Fund Reserve		10,943,529	.046866		5,128.79
UNIFORM BASE PRICE f.o.b. PLANT - 4%		10,943,529	5.02		549,365.17

## MARCH 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.28	\$2.32	4.0%	\$5.02	\$3.06	5.0%	\$5.76	\$3.80
3.05	4.317	2.357	4.05	5.057	3.097	5.05	5.797	3.837
3.1	4.354	2.394	4.1	5.094	3.134	5.1	5.834	3.874
3.15	4.391	2.431	4.15	5.131	3.171	5.15	5.871	3.911
3.2	4.428	2.468	4.2	5.168	3.208	5.2	5.908	3.948
3.25	4.465	2.505	4.25	5.205	3.245	5.25	5.945	3.985
3.3	4.502	2.542	4.3	5.242	3.282	5.3	5.982	4.022
3.35	4.539	2.579	4.35	5.279	3.319	5.35	6.019	4.059
3.4	4.576	2.616	4.4	5.316	3.356	5.4	6.056	4.096
3.45	4.613	2.653	4.45	5.353	3.393	5.45	6.093	4.133
3.5	4.65	2.69	4.5	5.39	3.43	5.5	6.13	4.17
3.55	4.687	2.727	4.55	5.427	3.467	5.55	6.167	4.207
3.6	4.724	2.764	4.6	5.464	3.504	5.6	6.204	4.244
3.65	4.761	2.801	4.65	5.501	3.541	5.65	6.241	4.281
3.7	4.798	2.838	4.7	5.538	3.578	5.7	6.278	4.318
3.75	4.835	2.875	4.75	5.575	3.615	5.75	6.315	4.355
3.8	4.872	2.912	4.8	5.612	3.652	5.8	6.352	4.392
3.85	4.909	2.949	4.85	5.649	3.689	5.85	6.389	4.429
3.9	4.946	2.986	4.9	5.686	3.726	5.9	6.426	4.466
3.95	4.983	3.023	4.95	5.723	3.763	5.95	6.463	4.503

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar.'57	\$4.76 <u>2</u>	\$5.01 <u>1</u>	\$3.14	7.1¢	\$5.33	7.7¢	\$3.18	6.8¢
Apr.	4.55 <u>2</u>	4.90 <u>1</u>	3.09	7.1	5.28	7.7	3.13	6.8
May	4.54 <u>2</u>	4.88 <u>1</u>	3.07	7.1	5.28	7.7	3.11	6.8
June	4.55 <u>2</u>	4.82 <u>1</u>	3.04	7.1	5.28	7.7	3.08	6.8
July	4.69 <u>2</u>	4.96 <u>1</u>	3.00	7.1	5.28	7.7	3.04	6.8
Aug.	4.94 <u>1</u>	-	-	7.2	5.28	7.7	3.06	6.9
Sept.	4.98 <u>1</u>	-	-	7.3	5.29 <u>1</u>	7.7	3.61	7.0
Oct.	4.92 <u>1</u>	-	-	7.2	5.36 <u>1</u>	7.9	3.55	6.9
Nov.	5.06 <u>1</u>	-	-	7.1	5.30 <u>1</u>	7.8	3.53	6.8
Dec.	4.87 <u>1</u>	-	-	7.2	5.28 <u>1</u>	7.7	3.54	6.9
Jan.'58	4.94 <u>1</u>	-	-	7.1	5.29 <u>1</u>	7.8	3.56	6.8
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	5.02 <u>1</u>	3.06	7.4	5.32	7.7	3.10	6.8
Apr.	-	-	-	-	5.37	7.7	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Cond. Mid-West	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West	Cheese	Powder	Milk Mfg.	
Mar.'57	3.171	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	3.098	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	3.067	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan.'58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.	Test %
Mar. '57	317,192	298,741	399,102	345,439	421,610	20	794	503	435	68	4.36
Apr.	313,445	294,559	436,136	351,967	459,103	20	797	547	442	105	4.24
May	304,537	285,723	429,661	349,026	453,513	20	793	542	440	102	4.22
June	285,439	267,528	392,424	334,437	415,157	20	793	495	422	73	4.23
July	297,226	279,211	373,547	322,809	396,217	21	792	472	408	64	4.20
Aug.	323,309	304,631	355,094	-	379,066	21	806	441	-	-	4.19
Sept.	335,146	316,740	376,370	-	401,147	21	811	464	-	-	4.29
Oct.	322,899	304,440	395,303	-	417,523	21	812	487	-	-	4.47
Nov.	361,585	344,230	389,488	-	410,882	21	811	480	-	-	4.49
Dec.	318,718	301,044	386,235	-	408,127	22	810	477	-	-	4.50
Jan. '58	334,105	316,521	386,539	-	407,478	22	804	480	-	-	4.48
Feb.	337,688	319,166	363,397	-	385,591	22	802	453	-	-	4.46
Mar.	329,556	310,766	376,283	353,017	399,958	23	797	472	443	29	4.30

1 Excludes Premium2 For statistics only3 Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base